



PRESS RELEASE

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Mayor Ballard Addresses Utility Transfer Benefits in Response to Council Questions *Dialogue with Community to Continue at Public Forum Tuesday Evening*

INDIANAPOLIS – Mayor Greg Ballard and Citizens Energy Group responded to questions posed by City-County Council President Ryan Vaughn regarding the proposed transfer of the City's water and wastewater systems to Citizens. The report submitted to President Vaughn details how the transfer will provide more predictable utility rates while helping the City fix crumbling streets, bridges and sidewalks. The report can be found on the utilities Web site, www.indy.gov/utilities.

"I thank President Vaughn for starting the Council review process with thoughtful questions regarding the transfer of the water and wastewater utilities to Citizens," said Mayor Ballard. "In addition to President Vaughn's questions, we have received numerous helpful questions regarding the utility transfer in our public forums and meetings with other community stakeholders. Answering these questions, and taking people's good ideas and concerns into account, is an important part of the process of ensuring we structure a final utility transfer agreement maximizing benefits to utility ratepayers and the Indianapolis community."

The questions issued by President Vaughn mark the beginning of the Council's formal review. Councillors will analyze the proposed transfer and are formally charged with approving the transfer. If approved by the Council, the Indiana Utility Regulatory Commission then will review the proposal through its public process. Before being considered by the full Council, the Mayor's Office and Citizens will complete briefings to Council committees. Council briefings include:

April 21 at 5:30 p.m.: Economic Development Committee
April 22 at 5:30 p.m.: Public Works Committee
April 27 at 5:30 p.m.: Administration and Finance Committee
May 3 at 5:30 p.m.: Rules Committee
May 11 at 5:30 p.m.: Rules Committee

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“During the public forums on the utility transfer and our Mayor’s Night Out meetings, the people of Indianapolis have made it clear that our city’s infrastructure problems must be addressed and utility rates must be predictable. The utility transfer is a once-in-a-generation opportunity to address both of these critical issues,” said Mayor Ballard.

As the proposal moves to the Council review, Mayor Ballard and Citizens continue to listen to suggestions provided by residents, community leaders and business owners that will help shape the final transfer agreement. Residents will have an opportunity to ask questions and provide feedback at the next public forum scheduled for 5 p.m. April 20 at Lynhurst 7th and 8th Grade Center, 2805 South Lynhurst Drive.

The report issued today details how Citizens will reduce future water and wastewater rate increases by about 25 percent by 2025 compared to any other option available to the City. Water and wastewater rates will be going up in the coming years due to necessary system improvements, including a consent decree with the Environmental Protection Agency requiring construction of a combined sewer overflow project to prevent raw sewage overflows into area waterways.

Citizens will reduce future rate increases through the annual savings available through the utility transfer. These savings will be achieved through efficiencies gained by combining the water and wastewater utilities with Citizens’ gas, steam and chilled water systems, value engineering and a more efficient capital structure

“Independent organizations, including J.D. Power & Associates, confirm Citizens’ customers are pleased with the value being delivered by our well-maintained utility systems,” said Carey Lykins, President and CEO of Citizens Energy Group. “We are eager to further define how bringing the water and wastewater utilities into the public charitable trust will deliver savings for customers as we embark on important system improvements that will ensure safe, reliable drinking water and cleaner rivers and streams.”

Citizens is already working with the water and wastewater system operators, Veolia Water and United Water, to identify the most efficient and effective ways to operate the systems. Citizens expects Veolia and United to have significant roles in the operations of the systems.

On March 10, 2010, Mayor Ballard signed a memorandum of understanding (MOU) to transfer the City’s water and wastewater utilities to Citizens, a public charitable trust operating like a not-for-profit for community benefit.

More information about the utility transfers and the schedule for public meetings is available at www.indy.gov/utilities or by calling 317-327-4MAC.

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